

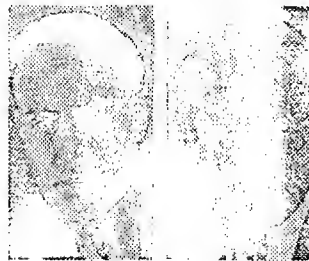
**EVANS AND NOVAK**

## Senate Arms-Aid Debate

### Could Bare Top Secrets

Washington—Uncle Sam's shrouded sales of armaments around the globe are in danger of being stirred in Congress with deep implications for U.S. policy worldwide—from Latin America to the critical Middle East.

Raising goose flesh on key policymakers in Foggy Bottom is a still-secret amendment drafted by Sen. Allen Ellender (D-La.), to the long-stalled bill giving the Export-Import Bank routine authority to continue its lending operations for another five years. Innocuous on its face, Ellender's amendment merely would bar the use of Export-Import Bank credit for the sale of U.S. arms to any foreign country.



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It is scarcely innocuous to worried officials here. This amendment would cut squarely across highly confidential U.S. operations in several underdeveloped nations. Moreover, it would require a major change in Pentagon financing of arms to such highly developed nations as West Germany and Great Britain.

Finally, adopted, it could greatly complicate the problem of a possible future sale of U.S. arms to Israel. No such sale is taking place today, but officials at the

highest levels say privately that, if Soviet arms shipments to the Arab states threaten the balance of power, the U.S. will step in to guarantee parity for Israel.

Most members of Congress have no conception of the under-the-table vital role played by the Export-Import Bank in lending, nor the number of countries involved. Under amendment to the Foreign Aid Act in 1961, the bank is empowered to finance foreign arms purchases from the Pentagon, with the Pentagon putting up only 25 per cent of the payment. This permits the Pentagon to quadruple the amount of arms sales it could make without the Export-Import Bank credit.

Thus, in the fiscal year ending last June 30 the bank acted as credit agent for the Pentagon to the tune of several hundred millions of dollars of arms sale abroad. As one top official told us: "Without this line of credit, we would be in real trouble. The man who runs the Export-Import Bank is the richest man in town."

The Ellender amendment, then, is a bombshell to the administration. The senator, who has been lobbying against the sale of U.S. arms for several years, confided his intention to offer the amendment in a private talk with Senate leaders days ago. The bill had been expected to come up in the Senate for debate this week.

Word about Ellender's move instantly spread alarm and confusion among both congressional and administration officials. Lacking a strategy to counter Ellender, they postponed Senate debate on the bill. Whether or not

Ellender wins and gets his amendment attached to the bill, the debate might uncover arms sales that are top secret and involve not outright U.S. allies in Europe but under-developed countries in Africa, Latin America, and Asia which are under Communist pressures.

In formal reports to Congress on sales of U.S. arms, these loans are designated as "country-X loans." Not even the director of the bank knows all the countries involved. The reason for this secrecy is that the U.S. does not always want other countries to know that U.S. arms are being sold to a next-door neighbor. Indeed, international arms traffic is a devious, clandestine operation, often shrouded in secrecy and international intrigue.

Any full-scale debate on the Ellender amendment would result in embarrassing questions being asked in public. Opponents of the amendment would be unable to provide complete answers. Furthermore, critical members of the Senate, including Sen. J. W. Fulbright (D-Ark.), chairman of the Foreign Relations Committee, have long been complaining about international traffic in arms.

At this writing, strenuous and confidential efforts are being made to get Ellender to forego his amendment. But even this might not avert a full-scale debate. In order to take up the arms question, a move is already afoot to reopen hearings in the house banking committee, which approved the Export-Import Bank bill several months ago.

The likely result then seems to be intense public debate of matters the government would rather keep private.